

UK Charity Audit (Mercia)

2021-07 Release

Mercia's Charity Manual 2021-04 update

Released July 2021

2021-04 - Detailed list of changes

Document	Change/Detail
Completion	
A21 - Responsible Individual review and conclusion	New procedure added to confirm the RIs approval of the 'Reporting irregularities, including fraud' wording in the audit report.
A29 - Reporting on irregularities, including fraud in the auditors' report	New form added to reflect the ICAEW 'Audit guide: how to report on irregularities, including fraud' published in April which states 'How the auditor developed their explanation, and the areas considered, would be expected to be documented in the audit file'. This expectation goes beyond ISA 700 and so, Mercia have added a new form to aid documentation for firms.
A45 - Audit data analytics and other technology update and evaluation	New document added to provide an update and evaluation of the use of ADA and if relevant, other technology.
A52-1 - Communication with management checklist	Procedure updated to include salient findings from the use of ADA.
Planning	
B11 - Planning memorandum (and B11 freeform)	Updated risk assessment procedures to include a new procedure on consideration of the use of audit data analytics (ADA) and confirming the appropriateness of it's use (B20). Guidance has also been added in reference to additional guidance which is included in the Audit Procedures Manual.
B11 - Audit Freeform Planning memorandum	References to the B20 for planning the use of ADA and new guidance has been added which confirms that B20 must be completed to appraise the use (or not) of audit data analytics.
B12 - Acceptance of appointment or reappointment	New guidance added for consideration of audit data analytics as a non-audit service.
B20 - Audit data analytics assessment	New form added to appraise the use (or not) of audit data analytics and to plan the approach.
B21-1 - Communication with management	Updated nature of assignment to refer to audit data analytics and other technology when communicating the scope of the engagement and the general approach.
B22 - Preliminary analytical review	Updated objective to include the utilisation of audit data analytics (ADA) for the preliminary analytical review. Additional guidance added and confirmation that the B20 must be completed to confirm the appropriateness of the use of ADA.
B23 - Audit team discussion	Updated to incorporate the use of audit data analytics (ADA) and other technology. New guidance added in relation to which area(s) are assigned to which team members to confirm that where there are specialists supporting the engagement for ADA / other technology they should also be included in the team briefing.

B33 - Audit plan - Trial balance (use of audit data analytics)	New form added for when using ADA to identify journals /significant unusual transactions for testing.
Work Programmes	
N Trial balance audit programme	New test on journals for confirming the appropriateness of using ADA where relevant.
Sundry	
A42, B11 Free Form & PF1-8	Minor updates - Correction for a missing word.